

Congress of the United States
Washington, DC 20515

July 12, 2012

The Honorable C.W. Bill Young
Chairman
Subcommittee on Defense
2407 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Norm Dicks
Ranking Member
Subcommittee on Defense
2467 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Young and Ranking Member Dicks:

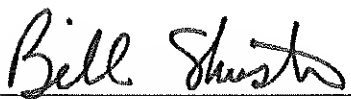
As Members with Army Depots and Arsenals in our districts, we wish to express our concern over significant funding reductions in this year's House Defense Appropriations Bill that will negatively impact the Army's organic industrial base. The Fiscal Year 2013 Defense Appropriations Bill, Sec. 8087 cites "excessive levels of funding carryover at Army Depots" and reduces "Operation and Maintenance , Army" (OMA) by \$1.207 billion and "Other Procurement, Army" (OPA) by \$1.253 billion. This reduction of approximately \$2.5 billion will have harmful consequences far beyond what was originally forecasted and will derail the Army's ability to maintain equipment readiness. Ultimately, we believe this legislation as it currently stands will cripple the ability of depots and arsenals to support our soldiers during a time of war. We understand the competing priorities facing the committee, but we believe it is vital that we work together with you to address this critical issue.

This reduction of funds will not only hurt the ability of Army depots and arsenals to generate and maintain its workload for the next Fiscal Year, but will also have lasting impacts on the defense industrial base that will be felt well beyond 2013. The cuts to OMA and OPA will cause an estimated 3,000 layoffs of specialized technicians that cannot be easily replaced or retrained if workload returns to its normal rate. Core depot logistics requirements will be increasingly difficult and costly to meet and the Department of the Army will be forced to turn to contracted alternatives in order to reduce the backlog. This cut will make the organic base less attractive for program managers and will likely reverse the recent trend of depots and arsenals being the preferred source of manufacture and repair.

It is our understanding that the Army did not provide a detailed explanation for excessive levels of carryover money until after the Appropriations Committee passed this year's Defense Bill. Once the Army provided this analysis, it became clear to all parties involved that the House Appropriations Committee's proposed funding levels would not provide adequate funding to sustain depots and arsenals throughout Fiscal Year 2013. As we approach the debate over the Defense Appropriations Bill on the House floor, it is still unclear to us what possible measures will be taken, if any, to reduce the impact of these cuts.

We look forward to further discussing this issue with you and working with you on any potential adjustments that can be made before this legislation is considered by the House of Representatives. We believe that a strong organic industrial base is critical to maintaining our national security posture and the current Defense Appropriations Bill will result in unrecoverable consequences for our Army depots and arsenals.

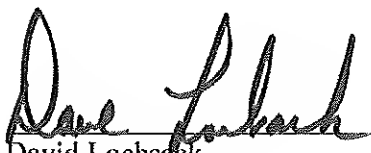
Sincerely,



Bill Shuster
Member of Congress



Mike Rogers
Member of Congress



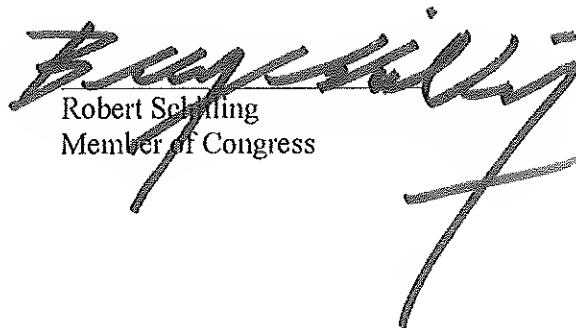
David Loebsack
Member of Congress



Ralph Hall
Member of Congress



Blake Farenthold
Member of Congress



Robert Schilling
Member of Congress

Congress of the United States
Washington, DC 20515

July 25, 2012

Senator Daniel K. Inouye
Chairman
Subcommittee on Defense
Senate Committee on Appropriations
722 Hart Senate Office Building
Washington, D.C. 20510

Senator Thad Cochran
Ranking Member
Subcommittee on Defense
Senate Committee on Appropriations
113 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Inouye and Ranking Member Cochran:

As Members of the House of Representatives with Army Depots and Arsenalns in our districts, we wish to express our concern over significant funding reductions in this year's House Defense Appropriations Bill that if replicated by the Senate would negatively impact the Army's organic industrial base. The Fiscal Year 2013 Defense Appropriations Bill that was recently passed in the House reduces "Operation and Maintenance, Army" (OMA) by \$1.207 billion and "Other Procurement, Army" (OPA) by \$1.253 billion. This is a total reduction from the President's FY'2013 budget request of approximately \$2.5 billion and would result in alarming consequences for our overall military readiness.

The House Appropriations Committee justified this reduction by citing "excessive levels of funding carryover at Army depots" and determined adequate funding was already available to sustain depots and arsenalns for the entire fiscal year. Since the introduction of the House Defense Appropriations Mark, the Department of the Army has provided additional data and analysis to all Defense Appropriations and Authorizations Committees that accounts for this year's drastic increase in carryover funds and further explains the President's budget request. We have maintained a continuous dialog with the House Appropriations Committee in order to convey our support for depots and arsenalns and most recently executed a colloquy with Chairman Young in order to share our concern over the magnitude of these reductions.

Ultimately, we believe this legislation as it currently stands will cripple the ability of depots and arsenalns to support our soldiers during a time of war. We understand the competing priorities facing your committee, but we believe the need for this funding has been clearly outlined by the Department of the Army and if ignored will have lasting impacts on the defense industrial base. The cuts to OMA and OPA will cause an estimated 3,000 layoffs of specialized technicians that cannot be easily replaced or retrained if workload returns to its normal rate. Core depot logistics requirements will be increasingly difficult and costly to meet and the Department of the Army will be forced to turn to contracted alternatives in order to reduce the backlog. This cut will make the organic base less attractive for program managers and will likely reverse the recent trend of depots and arsenalns being the preferred source of manufacture and repair.

We are pleased to hear that our Senate counterparts have recently expressed a similar concern over this issue and are equally dedicated to protecting our organic industrial base. We fully support the President's budget request for Army depots and arsenals and anticipate the Senate Appropriations Committee's analysis will show a clear need for continued funding. Our depots and arsenals provide the best product to servicemembers for the best cost to the taxpayer and it is absolutely necessary that we protect this cornerstone of our military.

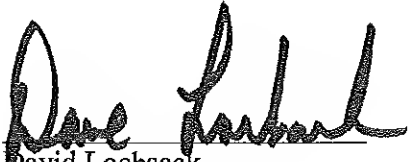
Sincerely,



Bill Shuster
Member of Congress



Mike Rogers
Member of Congress



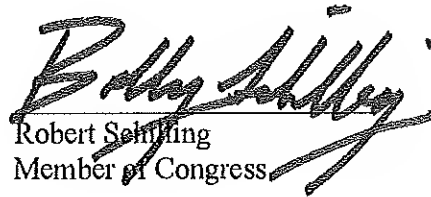
David Loebsack
Member of Congress



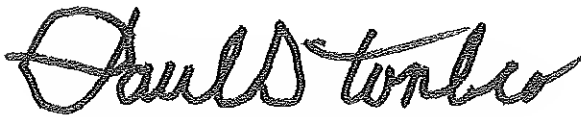
Ralph Hall
Member of Congress



Blake Farenthold
Member of Congress



Robert Schilling
Member of Congress



Paul Tonko
Member of Congress

(2) To exercise United States control over any oil resource of Iraq.

(3) To establish any military installation or base for the purpose of providing for the permanent stationing of United States Armed Forces in Afghanistan.

SEC. 9008. None of the funds made available in this Act may be used in contravention of the following laws enacted or regulations promulgated to implement the United Nations Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (done at New York on December 10, 1984):

(1) Section 2340A of title 18, United States Code.

(2) Section 2242 of the Foreign Affairs Reform and Restructuring Act of 1998 (division G of Public Law 105-277; 112 Stat. 2681-822; 8 U.S.C. 1231 note) and regulations prescribed thereto, including regulations under part 208 of title 8, Code of Federal Regulations, and part 95 of title 22, Code of Federal Regulations.

(3) Sections 1002 and 1003 of the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006 (Public Law 109-148).

SEC. 9009. None of the funds provided for the "Afghanistan Security Forces Fund" (ASFF) may be obligated prior to the approval of a financial and activity plan by the Afghanistan Resources Oversight Council (AROC) of the Department of Defense: *Provided*, That the AROC must approve the requirement and acquisition plan for any service requirements in excess of \$50,000,000 annually and any non-standard equipment requirements in excess of \$100,000,000 using ASFF: *Provided further*, That the AROC must approve all projects and the execution plan under the "Afghanistan Infrastructure Fund" (AIF) and any project in excess of \$5,000,000 from the Commanders Emergency Response Program (CERP): *Provided further*, That the Department of Defense must certify to the congressional defense committees that the AROC has convened and approved a process for ensuring compliance with the requirements in the preceding provisions and accompanying report language for the ASFF, AIF, and CERP.

SEC. 9010. Funds made available in this title to the Department of Defense for operation and maintenance may be used to purchase items having an investment unit cost of not more than \$250,000: *Provided*, That, upon determination by the Secretary of Defense that such action is necessary to meet the operational requirements of a Commander of a Combatant Command engaged in contingency operations overseas, such funds may be used to purchase items having an investment item unit cost of not more than \$500,000.

SEC. 9011. Notwithstanding any other provision of law, up to \$88,000,000 of funds made available in this title under the heading "Operation and Maintenance, Army" may be obligated and expended for purposes of the Task Force for Business and Stability Operations, subject to the direction and control of the Secretary of Defense, with concurrence of the Secretary of State, to carry out strategic business and economic assistance activities in Afghanistan in support of Operation Enduring Freedom: *Provided*, That not less than 15 days before making funds available pursuant to the authority provided in this section for any project with a total anticipated cost of \$5,000,000 or more, the Secretary shall submit to the congressional defense committees a written notice containing a detailed justification and timeline for each proposed project.

SEC. 9012. From funds made available to the Department of Defense in this title under

the heading "Operation and Maintenance, Air Force" up to \$508,000,000 may be used by the Secretary of Defense, notwithstanding any other provision of law, to support United States Government transition activities in Iraq by funding the operations and activities of the Office of Security Cooperation in Iraq and security assistance teams, including life support, transportation and personal security, and facilities renovation and construction: *Provided*, That not less than 15 days before making funds available pursuant to the authority provided in this section, the Secretary shall submit to the congressional defense committees a written notice containing a detailed justification and timeline for each proposed site.

(AVAILABILITY OF FUNDS)

SEC. 9013. Each amount designated in this Act by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985 shall be available (or rescinded, if applicable) only if the President subsequently so designates all such amounts and transmits such designations to the Congress.

(RESCISSIONS)

SEC. 9014. Of the funds appropriated in Department of Defense Appropriations Acts, the following funds are hereby rescinded from the following accounts and programs in the specified amounts: *Provided*, That such amounts are designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985:

"Retroactive Stop Loss Special Pay Program, 2009/20XX", \$79,900,000; and
"Afghanistan Security Forces Fund, 2012/20XX", \$500,000,000.

SEC. 9015. None of the funds appropriated or otherwise made available by this Act under the heading "Operation and Maintenance, Defense-wide" for payments under Section 1233 of Public Law 110-181 for reimbursement to the Government of Pakistan may be made available unless the Secretary of Defense, in coordination with the Secretary of State certifies to the Committees on Appropriations that the Government of Pakistan is—

(1) cooperating with the United States in counterterrorism efforts against the Haqqani Network, the Quetta Shura Taliban, Lashkar e-Tayyiba, Jalsh-e-Mohammed, Al Qaeda, and other domestic and foreign terrorist organizations, including taking steps to end support for such groups and prevent them from basing and operating in Pakistan and carrying out cross border attacks into neighboring countries;

(2) not supporting terrorist activities against United States or coalition forces in Afghanistan, and Pakistan's military and intelligence agencies are not intervening extra-judicially into political and judicial processes in Pakistan;

(3) dismantling improvised explosive device (IED) networks and interdicting precursor chemicals used in the manufacture of IEDs;

(4) preventing the proliferation of nuclear-related material and expertise;

(5) issuing visas in a timely manner for United States visitors engaged in counterterrorism efforts and assistance programs in Pakistan; and

(6) providing humanitarian organizations access to detainees, internally displaced persons, and other Pakistan civilians affected by the conflict.

TITLE X

ADDITIONAL GENERAL PROVISIONS

SPENDING REDUCTION ACCOUNT

SEC. 10001. The amount by which the applicable allocation of new budget authority

made by the Committee on Appropriations of the House of Representatives under section 302(b) of the Congressional Budget Act of 1974 exceeds the amount of proposed new budget authority is \$0.

Mr. FRELINGHUYSEN. Mr. Chairman, I move to strike the last word.

The Acting CHAIR. The gentleman from New Jersey is recognized for 5 minutes.

Mr. FRELINGHUYSEN. Mr. Chairman, from the Clerk's reading, we've reached the limitations portion of the bill, and we would encourage Members having amendments for us to consider in that arena, or portion, this would be the appropriate time for them to come forward.

I yield back the balance of my time.

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Mr. SHUSTER. Mr. Chairman, I move to strike the last word.

The Acting CHAIR. The gentleman from Pennsylvania is recognized for 5 minutes.

Mr. SHUSTER. Mr. Chairman, I rise today to share the concern of seven Members of this House that represent Army depots and arsenals, including Letterkenny Army Depot in my congressional district in Pennsylvania.

The following letter fully addresses our concerns:

CONGRESS OF THE UNITED STATES,

Washington, DC, July 12, 2012.

Hon. C.W. BILL YOUNG,
Chairman, Subcommittee on Defense,
Washington, DC.

Hon. NORM DICKS,
Ranking Member, Washington, DC.

DEAR CHAIRMAN YOUNG AND RANKING MEMBER DICKS: As Members with Army Depots and Arsenals in our districts, we wish to express our concern over significant funding reductions in this year's House Defense Appropriations Bill that will negatively impact the Army's organic industrial base. The Fiscal Year 2013 Defense Appropriations Bill, Sec. 8087 cites "excessive levels of funding carryover at Army Depots" and reduces "Operation and Maintenance, Army" (OMA) by \$1.207 billion and "Other Procurement, Army" (OPA) by \$1.253 billion. This reduction of approximately \$2.5 billion will have harmful consequences far beyond what was originally forecasted and will derail the Army's ability to maintain equipment readiness. Ultimately, we believe this legislation as it currently stands will cripple the ability of depots and arsenals to support our soldiers during a time of war. We understand the competing priorities facing the committee, but we believe it is vital that we work together with you to address this critical issue.

This reduction of funds will not only hurt the ability of Army depots and arsenals to generate and maintain its workload for the next Fiscal Year, but will also have lasting impacts on the defense industrial base that will be felt well beyond 2013. The cuts to OMA and OPA will cause an estimated 3,000 layoffs of specialized technicians that cannot be easily replaced or retrained if workload returns to its normal rate. Core depot logistics requirements will be increasingly difficult and costly to meet and the Department of the Army will be forced to turn to contracted alternatives in order to reduce the backlog. This cut will make the organic base less attractive for program managers and will likely reverse the recent trend of depots and arsenals being the preferred source of manufacture and repair.

It is our understanding that the Army did not provide a detailed explanation for excessive levels of carryover money until after the Appropriations Committee passed this year's Defense Bill. Once the Army provided this analysis, it became clear to all parties involved that the House Appropriations Committee's proposed funding levels would not provide adequate funding to sustain depots and arsenals throughout Fiscal Year 2013. As we approach the debate over the Defense Appropriations Bill on the House floor, it is still unclear to us what possible measures will be taken, if any, to reduce the impact of these cuts.

We look forward to further discussing this issue with you and working with you on any potential adjustments that can be made before this legislation is considered by the House of Representatives. We believe that a strong organic industrial base is critical to maintaining our national security posture and the current Defense Appropriations Bill will result in unrecoverable consequences for our Army depots and arsenals.

Sincerely,

BILL SHUSTER,
DAVID LOEBSACK,
BLAKE FARENTHOLD,
MIKE ROGERS (AL),
RALPH HALL,
ROBERT SCHILLING.

This bill includes reductions in funding for depots and arsenals due to a perceived surplus of funded workload available for previous fiscal years. After further analysis and additional feedback provided by the Army, we believe these cuts, as currently structured, could have a lasting negative impact on the organic industrial base.

It is my understanding that the House Appropriations Committee agrees that these current general provisions should be modified and is already developing an alternative plan.

As a member of the House Armed Services Committee, I look forward to working with the chairman to address these concerns and to ensure we provide adequate funding for depots and arsenals. I know we are both in favor of a strong and capable organic industrial base and value the critical role our depots and arsenals play in maintaining the readiness of our military.

Mr. Chairman, at this time I yield to the gentleman from Iowa (Mr. LOEBSACK).

Mr. LOEBSACK. I thank the gentleman from Pennsylvania.

Our depots, arsenals, and their workforce are critical to our national security and ability to rapidly equip our soldiers. For example, in 2003, the Rock Island Arsenal produced 500 Humvee add-on armor kits to protect our troops within 3 months of receiving the order.

We must strengthen our arsenals and depots so that they are able to continue to produce the equipment that is vitally needed by our men and women in uniform. I am strongly concerned that the effects of the bill's reductions will be felt beyond 2013 and across the organic industrial base, and I appreciate the chairman's willingness to work with us. I look forward to closely collaborating with him in support of our arsenals and depots, and I appreciate this time.

Mr. SHUSTER. I thank the gentleman from Iowa.

And the gentleman from Texas, who's not here on the floor, I'd like to talk a little bit about his situation down at the Corpus Christi Army Depot, which is an industry leader of repair and overhaul for our aviation helicopters, employing over 6,000 civilians, of which 56 percent are veterans. Without CCAD, the Army would be unable to sustain maximum combat power for the warfighter.

Further, the depot in Corpus Christi's stewardship of taxpayer dollars is evident in the cost effective repair and overhaul of rotary wing aircraft systems. For example, in fiscal year 2011, a record production year, more than \$47 million in cost savings was documented at the CCAD.

With today's rotary wing aircraft and unmanned aircraft systems flying in record numbers, the work at Corpus Christi Army Depot has become invaluable to the aircraft to remain airworthy. I am concerned that any lapse in production of the UH-60 Black Hawk Recap, CCAD's larger single program, would have a negative impact on supporting components programs and major OEM contracts and employers.

I know that the gentleman from Texas looks forward to working with the chairman—as do I and other Members of the House that represent depots and arsenals—and the House Appropriations Committee as this bill moves forward to conference.

Mr. FRELINGHUYSEN. Will the gentleman yield?

Mr. SHUSTER. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I thank the gentlemen for their comments, and we share in their support of a strong organic industrial base and a strong, ready military.

We are pleased to work closely with members of the army depot and arsenal delegation throughout the conference proceedings to ensure their concerns are fully addressed and the necessary adjustments to depot and arsenal funding are made.

I thank the gentleman for yielding.

Mr. SHUSTER. Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MS. WOOLSEY

Ms. WOOLSEY. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will report the amendment.

The Clerk read as follows:

At the end of the bill (before the short title), insert the following:

SEC. _____. The total amount of appropriations made available by this Act is hereby reduced by \$181,000,000.

The Acting CHAIR. The gentlewoman from California is recognized for 5 minutes.

Ms. WOOLSEY. Mr. Chairman, our Nation's transportation infrastructure is in terrible, terrible disrepair. More than ever, we need to be pumping resources into transportation projects and into initiatives for that end.

We need to upgrade and modernize our roads and highways, but we also need to build up mass transit systems, buses, rail lines, et cetera. Doing so improves lives in our communities, allowing people to move around more freely and easily, and it also creates jobs. And by reducing our dependency on automobile travel, this transportation is clean, energy-efficient, and environmentally sensitive, as well.

Luckily, we have a Federal agency, the Federal Transit Administration, or FTA, that exists to make exactly these investments. I'm proud to say that my home district has benefited from FTA grants to the tune of \$11 million over the last year. A new commuter train, the Sonoma-Marina Area Rail Transit, or SMART train, that connects the major cities in my district is just one of the local projects that is putting FTA money to good use.

So, at a moment when our transportation needs are so great across the country, wouldn't it make sense to increase the FTA budget? Except that the House, expressing the priorities of its Republican majority, recently passed a fiscal year 2013 appropriations bill that cut \$181 million from current FTA spending levels. And at the same time, they're now presenting us with a Department of Defense spending bill that calls for \$1.1 billion more in military spending over current levels.

Why are we all being asked to tighten our belts while the military industrial complex gets to loosen theirs by a few notches year after year after year?

If the Federal budget crisis is so dire, Mr. Chairman, so dire that we can pinch pennies on badly needed transit infrastructure, surely we can do the same with a bloated Pentagon budget that has been growing out of control for more than a decade now. And that's the simple concept behind my amendment.

In the interest of fairness and shared sacrifice, I'm proposing a \$181 million cut to the Defense appropriations bill identical to the reduction in FTA spending passed by the House a few weeks ago. I trust that all my Republican colleagues, each one more fiscally responsible than the next, will jump at this chance to further cut Federal spending.

I yield back the balance of my time.

Mr. FRELINGHUYSEN. Mr. Chairman, I move to strike the last word.

The Acting CHAIR. The gentleman from New Jersey is recognized for 5 minutes.

Mr. FRELINGHUYSEN. Mr. Chairman, I rise in opposition to the gentleman's amendment. I'm the first to admit that defense should not be immune to reasonable, analytically-based reductions, which are what we've already done over the past few years.

Just 2 years ago, when Congress considered the fiscal year 2011 defense budget, the Department was planning on a fiscal year 2013 budget of roughly \$562 billion. Their actual request for 2013, however, was only \$516 billion, \$46 billion less.